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Message Text

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PAGE 01 NEW DE 08195 251305Z
ACTION NEA-11

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 L-03 H-02 PA-02 FSE-00 ABF-01 /122 W
----------112708 252107Z /15
R 251112Z MAY 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 1800
INFO AMEMBASSY COLOMBO
AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
AMEMBASSY KATHMANDU
AMEMBASSY LONDON
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

UNCLAS NEW DELHI 8195

PASS TREASURY AND FRB

E.O. 11652: N/A
TAGS: EFIN, IN
SUBJECT: INDIA REVALUES ITS RUPEE AGAINST POUND STERLING

REF: 77 NEW DELHI 15592 AND 15672

1. ON MAY 24, 1978, THE RESERVE BANK OF INDIA(RBI) REVALUED THE INDIAN RUPEE AGAINST THE POUND STERLING BY 2.6 PERCENT, WITH IMMEDIATE EFFECT. THE NEW SPOT RATES FOR THE RUPEE ARE AS FOLLOWS:

BUYING RATE: RS 100 EQUAL POUND 6.5359 (COMPARED TO THE PREVIOUS 6.3694), OR POUND 1 EUQL RS 15.30(COMPARED TO 15.70).
SELLING RATE: RS.100 EQUAL POUND 6.4935(COMPARED TO 6.3291) OR
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POUND 1 EQUAL RS 15.40 (COMPARED TO 15.80).

2. THIS REVALUATION YIELDS A NEW MID RATE OF RS 100 EQUAL POUND 6.5147 OR POUND 1 EQUAL RS 15.35(COMPARED TO RS 100 EUQAL POUND 6.34925, OR POUND 1 EUQAL RS 15.75 AS FIXED BY RBI ON NOV. 1, 1977)

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3. FORWARD PURCHASES OF STERLING UP TO A MAXIMUM PERIOD OF NINE MONTHS HAS BEEN CONTINUED BY THE RBI ON A MONTHLY OPTION BASIS AT A DISCOUNT OF POUND 1.0050 FOR RS 100 PER MONTH ON THE SPOT BUYING RATE OF RS 100 EQUAL POUND 6.5359. THE NEW FORWARD RATES FOR RS 100 WILL BE BETWEEN POUND 6.5409 FOR THE FIRST MONTH AND POUND 6.5809 FOR THE NINTH MONTH.THERE WILL BE NO CHANGE IN PURCHASES OF US DOLLARS, MARK AND YEN FOR SPOT AND FORWARD TRADING UP TO A PERIOD OF SIX MONTHS ON A MONTHLY OPTION BASIS AT RATES DETERMINED ON THE BASIS OF LONDON MARKET CROSS RATES.

4. PRIOR TO THIS REVALUATION, ON MAY 24, 1978 USDO NEW DELHI WAS USING A RATE OF DOLS 1 EQUAL RS 8.62. THE REVISED RATE FOR MAY 25, 1978 IS DOLS 1 EQUAL RS 8.41.

5. COMMENT: THE RECENT WEAKENING OF THE POUND STERLING IN RELATION TO OTHER MAJOR CONVERTIBLE CURRENCIES, PARTICULARLY THE US DOLLAR, HAS PROMOTED THE RBI TO REVALUE THE RUPEE. SUCH A REVISION WAS NECESSARY BECAUSE THE

POUND STERLING, THE "INTERVENTION CURRENCY", HAS DEPRECIATED BY MORE THAN 2.5 PERCENT IN TERMS OF THE MARKET BASKET OF CURRENCIES WITH WHICH THE RUPEE IS LINKED. THE REVALUATION IS EXPECTED TO HAVE LITTLE IMPACT ON INDIA'S FOREIGN TRADE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RUPEE, FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 25 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE08195
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780221-0849
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780520/aaaaaqbc.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4cc6ba96-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
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Previous Handling Restrictions: n/a
Reference: 77 NEW DELHI 15592
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
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SAS ID: 2573307
Secure: OPEN
Status: NATIVE
Subject: INDIA REVALUES ITS RUPEE AGAINST POUND STERLING
TAGS: EFIN, IN
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/4cc6ba96-c288-dd11-92da-001cc4696bcc
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